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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

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Reserve

PRELIMINARY NORTHEAST DAIRY REPORT

The milk production situation with particular reference to the possibility of maintaining milk production, was discussed by ten interviewers with about 450 dairy farmers living in 24 counties in Pennsylvania, New York, Connecticut, Massachusetts, Vermont, New Hampshire, and Maine during the month of September. The following preliminary report of this survey is based primarily on the general observations of these interviewers, along with impressions gained by reading many of the interviews.

The feed situation and not price of milk is the major concern of the dairy farmers of the northeast. The major complaint is over quality of feed and not quantity. Protein content has been reduced from the usual 20 percent and 24 percent to 14 percent and 16 percent, with some reporting as low as a 12 percent feed. Farmers note that little corn is used in the mixed feeds and is being replaced by various inferior products. The variation in content of mixed feeds from time to time constitutes an important part of their irritation. Such substitutions and variations coupled with lack of molasses reduces palatability of feed mixtures in the opinion of farmers. Refusal of cows to clean up feed in some cases causes farmers to reduce the amount of feed per cow. Many report reduced production because of quality of feed.

Few farmers report inability to obtain feed when needed. Old feed customers are being supplied but complaint over feed supplies exists on the part of some customers such as new farmers in the community, or farmers expanding their herds, or those farmers who buy feed here and there. Many of the farmers feel that they are unable to buy feed in the quantities they desire and are forced to operate on a hand-to-mouth basis. Building up of feed reserves appears out of the question to many.

Apprehension over future feed supplies constitutes one of the major factors affecting farmers' plans for milk production. Though they feel that present supplies have had little effect on milk production they fear future supplies will be insufficient. Inability to build up reserves of their own supports this general feeling. Farmers state that some of the dealers and feed companies promise an adequate supply for only 30 more days.

Several farmers who ordinarily buy only straight protein meals to mix with home grown feeds say they have to buy mixed low protein feeds in order to obtain any protein. Permitting feed companies to obtain all supplies of straight protein meals causes considerable criticism.

Rising feed costs for lowered quality feeds brings forth numerous complaints. Feed prices are reported as increasing many dollars per ton during the last few months. Some state that price per sack goes up five to ten cents every two weeks. This, rather than the price of milk, constitutes the major price complaints. Few actually believe the price they receive for milk is too low. Many report that the past year has been very favorable from the standpoint of profits but with rising feed costs many complain that the margin above feed costs has narrowed to the point where profits are less than the last year or two. Those who are forced to buy most of their feed this year feel that profits are virtually wiped out on the present feed price basis. A few believe the consumer is paying about all he can for milk now. On the other hand much complaint exists relative to the share of the consumer's milk dollar which the farmer gets. The distributor or middleman is getting more than the farmer according to most of the respondents, and they believe this disproportion should be corrected.

The survey indicated little prospective reduction in production if feed supplies are available at reasonable prices. Labor shortages appeared to be affecting dairy plans only in scattered instances. Machinery, equipment and repairs were seldom mentioned as a factor in causing reduction of milk production. High price of replacement stock and inability to obtain wanted replacement cows caused some farmers to believe that production would not be up to intentions. The high price being paid for replacement cows in itself, however, indicates the extent to which farmers believe the price of milk is satisfactory.

Assurance of adequate feed supply of good quality constitutes the major element in maintenance of milk production in the opinion of the majority of these farmers. Coupled with assurance of a supply of feed, they want assurance that prices on all feeds will be controlled. Several point out that any rise in price of milk to the producer will be grabbed by the feed dealer in rising prices and the cow dealer in prices of replacement cows. Some believed that the northeast dairy farmer should be given some form of a priority on the feed supply of the country. Many felt that the apparent control of the feed dealers and small-feed mixers over feed supplies should be stopped so that the farmer could obtain straight protein meals and straight grain rather than be forced to buy mixed feeds entirely. Some believe that a better system of rationing feed supplies than now exists would have considerable effect on maintaining present production.

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Subsidy on the price of milk to the producer is opposed by practically all who mention it. Some state that if subsidies are to be used at all they should apply to feed costs rather than to price of milk, for the man who is producing most of his feed is making a very good thing whereas the man who is forced to buy low quality feed at high prices is handicapped. Such a subsidy would eliminate the danger of spiraling feed and replacement cow costs.

Supplying dairy farmers with an adequate feed supply at a controlled price will have much more effect on maintaining or increasing milk production than any rise in price or milk price subsidy. A sharp advance in price of milk might cause a temporary reduction in milk supplies since more financially favored dairymen would enter the feed and cow markets for limited supplies and take them at the expense of others.

